

## **Estimated Out-of-Pocket Expenses for Cattle Producers Participating in NAIS**

There is no one set cost for producers to participate in the National Animal Identification System (NAIS). The costs will vary for each producer, depending on how NAIS is used. Premises registration is free; NAIS-approved eartags range in price from \$1.20 for a visual eartag to \$2.20 for an eartag that incorporates radio frequency identification (RFID) technology. 1 If a producer is already using some form of individual animal identification (either visual tags or RFID eartags), he or she will notice only minimal, if any, increase in their overall out-of-pocket expenses if they choose to transition to NAIS-approved eartags.

Below are four scenarios<sup>2</sup> to help producers gauge what their additional out-of-pocket expenses might be if they choose to participate in NAIS.

Mr. Pittman works for a local business, but he and his family keep a few animals on their farm for their own consumption. They raise chickens for eggs, a cow for milk, and a couple of pigs and an occasional steer that they send to a local butcher for meat. The family also owns two horses.

The Pittmans do not plan to show any of their animals. The only time the food animals leave their property is for custom slaughter. They do not use any identification devices on their food animals. The horses are ridden around their property and on local trails,

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occasionally meeting up with neighboring horses. The Pittman's horses were purchased with existing lip tattoos for identification.

The Pittman family decides to request a premises identification number (PIN) in order to be alerted in case there is a disease reported in their local area that could affect their farm. There is no need for them to participate in the animal identification or tracing components of NAIS.



John Davis has a herd of 15 crossbred beef cows. He sells his weaned bull calves at a local auction and some of his heifers to other local producers for breeding purposes. He sells his surplus cows at the local market.

When he purchased the herd, they had no official identification. His typical practice has been to identify new calves at 3 weeks of age with visual herd management tags.

Mr. Davis decided it would be beneficial to him to participate in NAIS. He obtains a premises identification number (PIN) for his farm and decides to begin using NAIS visual tags on his new calves. He will use the NAIS visual tags for herd management, too.

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Costs with NAIS
Premises Registration

Animal Identification
NAIS Visual tags
Total $12 @ $1.20

Costs without NAIS
Visual tags
Total $12 @ $0.70

Difference $6.00
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<sup>&</sup>lt;sup>1</sup> As the use of NAIS RFID tags increases, the price per tag is expected to decrease and become equivalent to the prices of other ISO compliant RFID eartags.

 $<sup>^2\,\</sup>mathrm{The}$  scenarios provide cost estimates. Identification tag prices and ATD service fees vary—please contact the tag manufacturers or ATD service providers directly.



Ted Schmidt owns and operates a 1,500 cow Holstein dairy. He contracts with a heifer grower to raise his heifers for herd replacements. He sells his bull calves through a local auction and ships his cull cows directly to the slaughter plant. For breeding purposes, he uses artificial insemination and purchased herd bulls.

Mr. Schmidt's typical practice has been to use manufacturer-coded RFID tags along with visual tags for electronic parlor ID and general herd management. He would identify new calves within 2-3 days of birth with the visual tags and apply the RFID tag at the time of freshening.

Mr. Schmidt decided it would be beneficial to him to participate in NAIS. He signed up for a PIN and started using NAIS-approved visual and RFID tags. Now he applies NAIS RFID tags to his calves shortly after birth. The heifer grower attaches the NAIS visual tags before moving the calves from the calf hutches to group housing. Additionally, he decided to use a DHIA breed registry system that is also an NAIS-compliant animal tracking database (ATD).

Costs with NAIS Premises Registration
Animal Identification  NAIS RFID tags NAIS Visual tags Animal Tracing ATD Service Feet
Costs without NAIS  Visual tags  700 @ \$0.30  \$2590.00  RFID tags  700 @ \$2.00
Total 700 @ \$0.70  Difference \$700.00
*One-time service fee for the lifetime of the animal.



Costs with NAIS Premises Registration \$0.00 PIN Animal Identification 300 @ \$2.20 NAIS RFID tags 1 @ \$2000.00 RFID Reader Animal Tracing 300 @ \$0.50 ATD Service Fee\* \$2810.00 Tota1 Costs without NAIS 300 @ \$2.00 1 @ \$2000.00 RFID tags RFID Reader \$2600.00 Tota1 \$210.00 Difference

\*One-time service fee for the lifetime of the animal.

Allen Miller recently bought a 300-head beef herd with no ID or records. Mr. Miller researches options to meet COOL requirements and decides that participating in NAIS is a good idea. Using one identification system for multiple purposes will help him keep his recordkeeping simple.

As part of his business strategy, he will be joining a marketing alliance and be purchasing a \$2,000 RFID reader. He sees these costs as long-term investments necessary to help ensure the success of his farm.

He registers for a PIN and selects an NAIS-compliant RFID eartag that he begins to use. His RFID reader allows him to use the tags for herd management, too. He learns that his marketing alliance provider is an Animal Tracking Database (ATD) for NAIS, so he chooses to participate in the animal tracing component and reports the movements of his animals to the ATD.

## **For More Information**

For more information on NAIS, please visit **www.usda.gov/nais** 

To obtain a PIN for your farm or operation, visit

www.usda.gov/nais/getPIN

To find out how to purchase NAIScompliant ID tags, visit www.usda.gov/nais/840

## **Contact:**

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